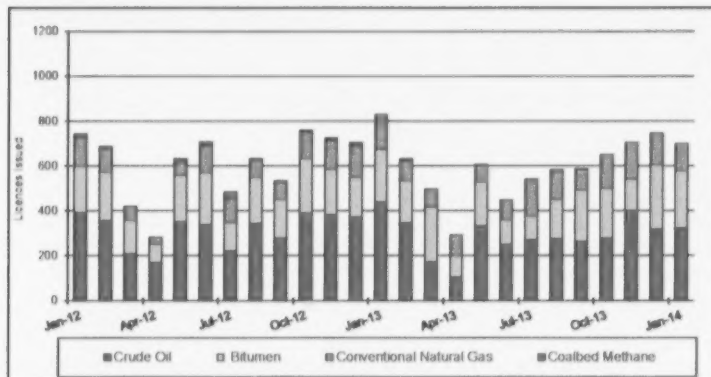


February 2014 Industry Activity Report

Monthly Well Licences



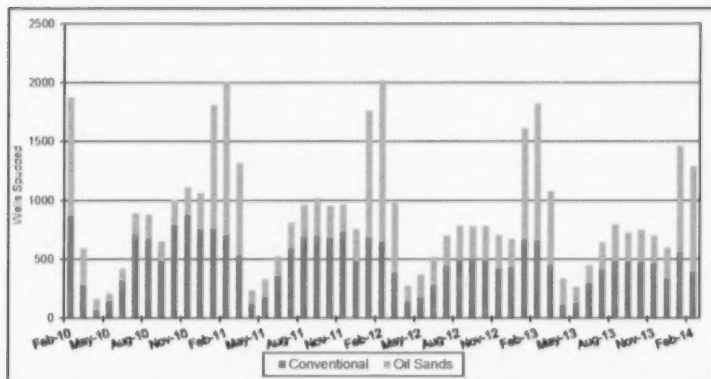
Total crude oil well licences issued in January were at 322, down 26% from the 438 issued last January. 83% of the crude oil licences were for horizontal wells, up from 78% for January 2013.

There were 121 natural gas well licences issued in January 2014, 3% higher than the 118 reported last January. 79% of natural gas (excluding CBM) well licences issued were for horizontal wells, down from 82% from the same time last year.

January			
Licensed Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	96	17%
	Vertical/Direct	25	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	268	46%
	Vertical/Direct	54	
Bitumen	Horizontal	107	37%
	Vertical/Direct	148	
Total		698	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



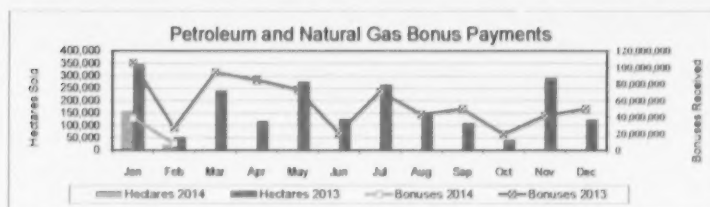
With a total of 1,290 spuds, activity has dropped 29% from last February when there were 1,824 spuds.

Compared to the January-February period in 2013, spuds for conventional wells are down 28% while oil sands spuds are down 15%.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
2010	Conventional	917	865	276	66	143	317	713	673	486	790	876	755	6,877
	Oil Sands	698	1013	317	97	73	105	178	205	165	214	237	310	3,612
2011	Conventional	762	708	532	120	178	358	590	692	705	683	730	488	6,546
	Oil Sands	1050	1295	786	121	156	167	222	274	313	272	241	268	5,165
2012	Conventional	685	648	388	144	181	280	444	497	504	489	423	430	5,113
	Oil Sands	1078	1374	592	132	193	238	260	288	280	292	283	241	5,251
2013	Conventional	666	657	451	108	132	299	416	485	480	476	464	339	4,973
	Oil Sands	950	1167	628	229	136	153	233	310	249	277	239	259	4,830
2014	Conventional	562	395											957
	Oil Sands	907	895											1,802

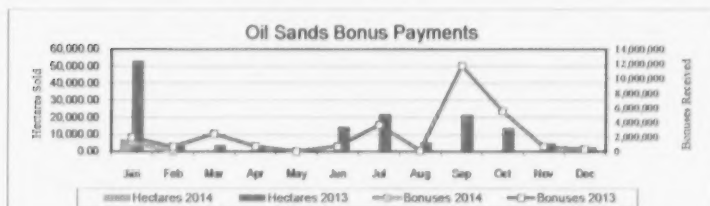
Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales



The petroleum and natural gas land sale held in February totalled \$8.4 million with an average price per hectare of \$365.95, while the oil sands land sale earned \$7.4 million with an average price per hectare of \$28.88.

Through the first two months of this year, Alberta has earned \$48.8 million for 189,372 hectares, compared to \$135 million last year (456,268 hectares). Average crown land prices decreased from \$296.34/hectare in 2013 to \$257.73 in 2014.

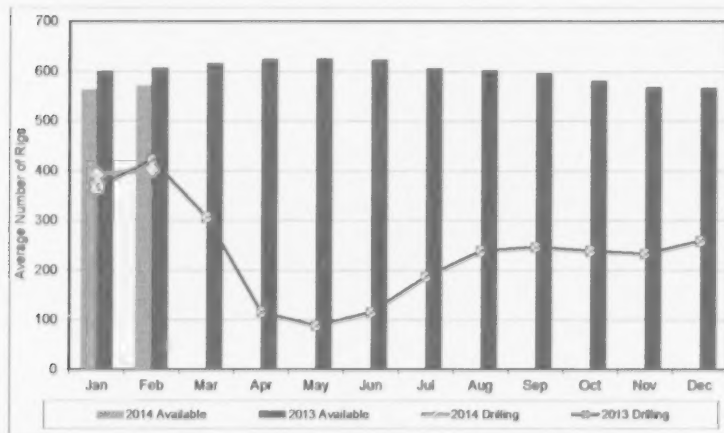


Petroleum and Natural Gas Rights	Feb-14	Feb-13	YTD 2014	YTD 2013
Bonuses	\$8,384,624.57	\$27,031,467.30	\$47,522,496.20	\$132,673,232.18
Hectares	22912.00	52871.57	182139.93	399661.27
Average Price per Hectare (Cdn\$)	\$365.95	\$511.27	\$260.91	\$331.96

Oil Sands Rights	Feb-14	Feb-13	YTD 2014	YTD 2013
Bonuses	\$7,393.28	\$636,673.58	\$1,284,234.24	\$2,539,309.10
Hectares	256.00	3614.32	7232.00	56606.32
Average Price per Hectare (Cdn\$)	\$28.88	\$176.15	\$177.58	\$44.86

Source: Alberta Energy

Alberta Rig Activity



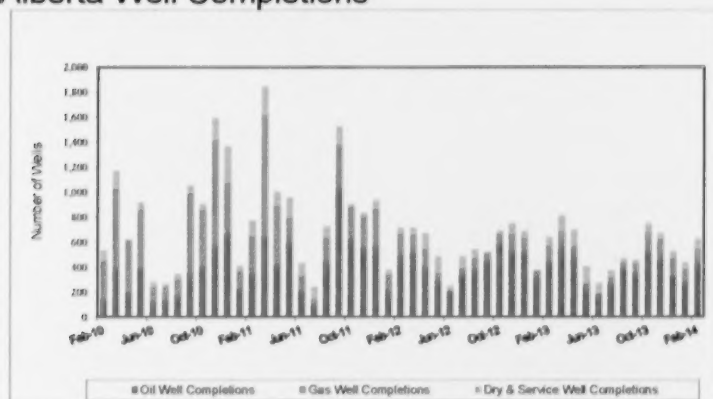
For the month of February, fleet utilization for the province's 571 rigs averaged 71%, compared to 70% of the 606 rigs available last February.

So far this year, Alberta oil and gas fields have employed 398 rigs, up slightly from the 395 working rigs for this period in 2013.

February	Drilling	Down	Available	Rig Util.	Rig Util.
				Feb-14	Feb-13
Alberta	403	168	571	71%	70%
Saskatchewan	88	49	137	64%	70%
British Columbia	63	13	76	83%	87%
Northwest Territories	1		1	100%	88%
Manitoba	15	8	23	65%	66%
Canada	569	239	808	70%	71%

Source: Canadian Association of Oilwell Drilling Contractors

Alberta Well Completions



There were a total of 626 well completions reported in February 2014, down 2% from the 640 completions in February 2013.

Compared to last year's two-month total, oil well completions were down 7%, and gas well completions were up 22%.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	Oil Wells	253	144	397	198	400	126	131	168	357	402	999	676	4,251
	Gas Wells	324	308	632	418	462	117	110	135	638	461	847	403	4,855
	Dry & Service	62	79	141	6	51	41	26	43	59	46	169	294	1,017
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	1,210
	Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2014	Oil Wells	280	427											707
	Gas Wells	105	119											224
	Dry & Service	57	80											137

Source: Daily Oil Bulletin, Nickle's Energy, Information, and Technology
For further information, visit www.nickles.com